

***Financial Report***

***Terrebonne Council on Aging, Inc.***

***Houma, Louisiana***

***June 30, 2003***

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June 30, 2003

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## PRINCIPAL OFFICIALS

### Terrebonne Council on Aging, Inc.

June 30, 2003

## BOARD OF DIRECTORS

	<u>Term Expiration Date</u>
Beverly Baudoin	December 31, 2003
Willie Bonvillain	December 31, 2005
Inez Brien	December 31, 2004
Clarence Guidry	December 31, 2005
Merian Henry, Chairman	December 31, 2004
Robert Henry	December 31, 2003
Lorraine Kimbrell	December 31, 2003
Virginia Molaison	December 31, 2005
Lena Porche	December 31, 2005
Carol Ransonet, Treasurer	December 31, 2005
Freddie Richardson, Secretary	December 31, 2003
William Torres, Jr.,	December 31, 2005
Daniel Trahan, Vice Chairman	December 31, 2003
Kirby Verret	December 31, 2004
Earl Vice	December 31, 2003

## FINANCIAL SECTION





**Bourgeois Bennett**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
Terrebonne Council on Aging, Inc.,  
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc., (the Council), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2003, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc. as of June 30, 2003, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and Budgetary Comparison Schedules on pages 3 through 10 and 46 through 50 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated November 20, 2003 on our consideration of the Terrebonne Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 20, 2003.



## **MANAGEMENT'S DISCUSSIONS AND ANALYSIS**

### **Terrebonne Council on Aging, Inc.**

The Management's Discussion and Analysis of the Terrebonne Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The Council's assets exceeded its liabilities at the close of fiscal year 2003 by \$6,533,646 (net assets), which represents a 23% increase from last fiscal year.

The Council's revenue increased \$524,747 (or 14%) primarily due to the property taxes.

The Council's expenditures increased \$726,922 (or 31%) primarily due an increase in services.

The Council did not have any funds with deficit fund balances.

Capital assets increased by \$970,226. This increase was largely due to the purchase of land for the new West Side Senior Center, the purchase of 9 new vehicles and the continued renovations to the New Operations Center.

During the year, the intergovernmental loan was paid off by paying the principal balance of \$1,645,000. This event caused investments to decrease and allowed the prior years restricted net assets to become unrestricted.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's annual report consists of five parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for non-major governmental funds and other supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Council:

### **Government-wide Financial Statements**

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The statement of activities presents information showing how the Council's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Council is health and welfare which is comprised of various programs that include various supportive services, nutritional services, utility assistance and respite.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. (Exhibit D and F)

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-2 – Home Delivered Meals Fund and Capital Projects Fund as major funds. (Exhibit C & E) All non-major governmental funds are presented in one column, titled Other Governmental Funds. Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Schedule 3 and 4).

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provide in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit G of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Exhibits H, I and J). In addition to these required elements, the Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Schedules 3, 4 and 5). GOEA also requires the Council to present combining schedules of its General Fund Programs (Schedule 1 and 2), and a schedule of Units of Service (Schedule 9).

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of the Council's financial position. As of June 30, 2003, assets exceeded liabilities by \$6,533,646. A large portion of the Council's net assets (43%) reflects its investment in capital assets (e.g., land; construction in progress; buildings and leasehold improvements; office furniture, fixtures and equipment; vehicles, machinery and equipment). Consequently, these assets are not available for future spending.

## Condensed Statements of Net Assets

	June 30,		Dollar
	2003	2002	Change
Current and other assets	\$ 5,608,414	\$ 6,793,544	\$ (1,185,130)
Capital assets	2,822,666	2,018,986	803,680
Total assets	8,431,080	8,812,530	(381,450)
Long-term liabilities outstanding	51,581	1,309,459	(1,257,878)
Other liabilities	1,845,853	2,185,771	(339,918)
Total liabilities	1,897,434	3,495,230	(1,597,796)
Net Assets:			
Invested in capital assets, net of related debt	2,822,666	1,505,085	1,317,581
Restricted	19,164	1,200,034	(1,180,870)
Unrestricted	3,691,816	2,612,181	1,079,635
Total net assets	\$ 6,533,646	\$ 5,317,300	\$ 1,216,346

### Governmental Activities

Governmental activities increased the Council net assets by \$1,216,346. Key elements of this increase are as follows:

## Condensed Changes in Net Assets

	June 30,		Dollar	Total
	2003	2002	Change	Percent Change
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 110,154	\$ 162,586	\$ (52,432)	-32.25%
Operating grants and contributions	747,540	808,980	(61,440)	-7.59%
Capital grants and contributions	31,064	-	31,064	100.00%
General revenues:				
Property taxes	3,027,407	2,333,848	693,559	29.72%
Grants and contributions not restricted to specific programs	183,884	187,863	(3,979)	-2.12%
Unrestricted investment earnings	105,300	207,733	(102,433)	-49.31%
Miscellaneous	50,686	30,278	20,408	67.40%
Total revenues	4,256,035	3,731,288	524,747	14.06%
<b>Expenses:</b>				
Health and welfare	2,946,964	2,208,526	738,438	33.44%
Interest on long term debt	92,725	104,241	(11,516)	-11.05%
Total expenses	3,039,689	2,312,767	726,922	31.43%
Increase in net assets	1,216,346	1,418,521	(202,175)	-14.25%
Net assets beginning of year	5,317,300	3,898,779	1,418,521	36.38%
Net assets end of year	\$ 6,533,646	\$ 5,317,300	\$ 1,216,346	22.88%

For the most part, increases in property taxes and miscellaneous income have allowed TCOA to increase services which is reflected as increases in health and welfare expenses.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$3,762,561, a decrease of \$1,255,370 in comparison with the prior year. An unreserved fund balance of \$3,739,439 is available for spending at the Council's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to purchase of vehicles. This is reflected in Exhibit C.

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,733,153, while total fund balance reached \$2,756,275 (Exhibit C). As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balances and total fund balance to total fund expenditures. The fund balance of the Council's General Fund decreased by \$820,082 during the current fiscal year (Exhibit E). The key factor of this reduction was largely due to the payment of the intergovernmental loan principal balance in the amount of \$1,645,000.

The decrease in fund balance in the Capital Projects Fund by \$444,196 to \$732,793 was due to continuation of renovations to the Operation Center and starting on the West Houma Senior Center (Exhibit E).

Other major funds, including Title III B – Supportive Services Fund and Title III C-2 – Home Delivered Meals Fund had a no change in fund balances. These funds are reimbursed by federal grants and expenditures that are not covered by the grants, are covered by transfers from the General Fund.



## General Fund Budgetary Highlights

The budget was amended one time during the year. The primary reasons for amending the budget were to prevent compliance violations under the Council's grants from GOEA due to unanticipated changes in revenue and expenditures. The major differences between the original General Fund budget and the final amended budget were as follows:

### Revenues

- Ad-Valorem taxes decreased by \$400,000.
- Interest income decreased by \$25,000 due to declining interest rates and less funds available for investment after paying off intergovernmental loan.

### Expenditures

- Capital outlay increased \$246,700 due to purchase additional vans and maintenance equipment that was not originally budgeted.
- Debt service increased \$1,180,000 due to the Council deciding to pay off the balance of its intergovernmental loan with Terrebonne Parish Council to save interest costs.

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates. Required supplementary information budgetary comparisons schedules were prepared for the General Fund and each major Special Revenue Fund (Exhibits H, I and J).

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Council's investment in capital assets for its governmental activities as of June 30, 2003, amounts to \$2,822,666 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; buildings and leasehold improvements, office furniture, fixtures and equipment; and vehicles, machinery and equipment (see table below).

	<u>2003</u>	<u>2002</u>
Land	\$ 547,254	\$ 132,723
Construction in progress	563,556	118,830
Buildings and leasehold improvements	809,724	1,033,507
Office furniture, fixtures and equipment	87,058	69,214
Vehicles, machinery and equipment	<u>815,074</u>	<u>664,712</u>
Totals	<u>\$ 2,822,666</u>	<u>\$ 2,018,986</u>



Major capital asset events during the current fiscal year included the following:

- Purchase of land for the new West Side Senior Center.
- Continued renovations to the new Operations Center.
- Purchase of 9 new vehicles for the Council's operations.

Additional information on the Council's capital assets can be found in the Note 5, Exhibit G of this report.

### **Long-term Debt**

During the year, the Council paid off its intergovernmental loan with the Terrebonne Parish Consolidated Government entirely by paying off the principal balance of \$1,645,000.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Council receives most of its funding from federal and state agencies and local taxes. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2003-2004. There are no plans to add any significant programs for next fiscal year.

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Consideration of funding to be received from GOEA.
- The Ad Valorem Tax revenue budgeted represents the estimated amount of the November 2003 assessment, which the Council will receive, for the most part, in January 2004.
- Interest revenues have been budgeted with no anticipation of an increase in interest rates.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates.
- Services the Council will provide along with estimated service cost.
- Estimate of operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.
- Detail plan of capital projects required to provide services.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Council on Aging, Inc., 955 West Tunnel Blvd, Houma, Louisiana 70360.

**STATEMENT OF NET ASSETS****Terrebonne Council on Aging, Inc.**

June 30, 2003

**Assets**

Cash	\$ 193,484
Investments	5,324,077
Contracts receivable	18,149
Taxes receivable	34,489
Deposits	29,415
Other current asses	8,800
Capital assets:	
Non-depreciable	1,110,810
Depreciable, net of accumulated depreciation	<u>1,711,856</u>
Total assets	<u>8,431,080</u>

**Liabilities**

Accounts payable and accrued expenses	327,785
Advances from funding agencies	20,265
Deferred revenue	1,497,803
Non-current liabilities - due in more than one year	<u>51,581</u>
Total liabilities	<u>1,897,434</u>

**Net Assets**

Invested in capital assets	2,822,666
Restricted for - other purposes	19,164
Unrestricted	<u>3,691,816</u>
Total net assets	<u><u>\$ 6,533,646</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES****Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:						
Health, welfare and social services:						
Supportive Services:						
Personal Care	\$ 72,964	\$ -	\$ -	\$ 7,183	\$ -	\$ (65,781)
Other Services	21,134	6,201	-	5,188	-	(22,147)
Homemaker	66,733	452	-	8,415	-	(58,770)
Information and Assistance	95,748	30,444	-	42,021	-	(84,171)
Legal Assistance	5,529	-	-	5,529	-	-
Material Aid	24,189	6,256	-	11,618	-	(18,827)
Outreach	7,869	2,613	-	12,315	-	1,833
Transportation	565,267	141,529	88,470	119,795	31,064	(467,467)
Wellness	90,508	20,710	8,001	16,121	-	(87,096)
Recreation	73,209	21,986	1,280	16,925	-	(76,990)
Nutrition Services:						
Congregate Meals	220,924	65,790	1,118	161,652	-	(123,944)
Home Delivered Meals	738,494	174,810	11,079	195,916	-	(706,309)
Utility Assistance	16,171	-	-	17,969	-	1,798
Respite	10,519	11	-	9,420	-	(1,110)
Administration	937,706	(470,802)	206	117,473	-	(349,225)
Interest on long-term debt	92,725	-	-	-	-	(92,725)
Total governmental activities	\$ 3,039,689	\$ -	\$ 110,154	\$ 747,540	\$ 31,064	(2,150,931)
General revenues:						
Property taxes						3,027,407
Grants and contributions not restricted to specific programs						183,884
Unrestricted investment earnings						105,300
Miscellaneous						50,686
Total general revenues						3,367,277
Change in net assets						1,216,346
Net assets:						
Beginning						5,317,300
Ending						\$ 6,533,646

See notes to financial statements.

**FUND BALANCE SHEET -**  
**GOVERNMENTAL FUNDS**

**Terrebonne Council on Aging, Inc.**

June 30, 2003

	<u>General Fund</u>	<u>Title III B - Supportive Services Fund</u>
<b>Assets</b>		
Cash	\$ 193,084	\$ -
Investments	4,117,657	-
Contracts receivable	-	-
Taxes	34,489	-
Due from other funds	481,819	28,912
Deposits	26,915	-
Other current assets	1,700	-
	<u>1,700</u>	<u>-</u>
Total assets	<u>\$ 4,855,664</u>	<u>\$ 28,912</u>
<b>Liabilities</b>		
Accounts payable and accrued expenditures	\$ 244,419	\$ 28,912
Advances from funding agencies	-	-
Due to other funds	357,167	-
Deferred revenue	1,497,803	-
	<u>1,497,803</u>	<u>-</u>
Total liabilities	<u>2,099,389</u>	<u>28,912</u>
<b>Fund Balances</b>		
Reserved for deposits toward vehicle purchaes	23,122	
Unreserved, reported in:		
General Fund	2,733,153	
Capital Projects Fund	-	
Special Revenue Funds	-	
	<u>-</u>	
Total fund balances	<u>2,756,275</u>	
Total liabilities and fund balances	<u>\$ 4,855,664</u>	<u>\$ 28,912</u>

See notes to financial statements.

Title III C-2 - Home Delivered Meals Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 400	\$ 193,484
-	1,206,420	-	5,324,077
-	-	18,149	18,149
-	-	-	34,489
32,164	-	296,091	838,986
-	-	2,500	29,415
-	7,100	-	8,800
<u>\$ 32,164</u>	<u>\$ 1,213,520</u>	<u>\$ 317,140</u>	<u>\$ 6,447,400</u>
\$ 32,164	\$ 1,026	\$ 21,264	\$ 327,785
-	-	20,265	20,265
-	479,701	2,118	838,986
-	-	-	1,497,803
<u>32,164</u>	<u>480,727</u>	<u>43,647</u>	<u>2,684,839</u>
-	-	-	23,122
-	-	-	2,733,153
732,793	-	-	732,793
-	273,493	-	273,493
<u>732,793</u>	<u>273,493</u>	<u>273,493</u>	<u>3,762,561</u>
<u>\$ 32,164</u>	<u>\$ 1,213,520</u>	<u>\$ 317,140</u>	<u>\$ 6,447,400</u>



**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

**Terrebonne Council on Aging, Inc.**

June 30, 2003

**Fund Balances - Governmental Funds** **\$ 3,762,561**

Amounts reported for governmental activities in the  
statement of net assets are different because:

Capital assets used in governmental activities are not  
financial resources and, therefore, are not reported  
in the Governmental funds:

Governmental capital assets	\$ 3,485,530	
Less accumulated depreciation	<u>(662,864)</u>	2,822,666

Non-current liabilities are not due and payable  
in the current period and therefore  
are not reported in the funds:

Compensated absences payable	<u>(51,581)</u>
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<b>Net Assets of Governmental Activities</b>	<b><u><u>\$ 6,533,646</u></u></b>
----------------------------------------------	-----------------------------------

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

	<u>General Fund</u>	<u>Title III B - Supportive Services Fund</u>	<u>Title III C-2 - Home Delivered Meals Fund</u>
<b>Revenues</b>			
Taxes - ad valorem	\$ 3,027,407	\$ -	\$ -
Intergovernmental:			
State of Louisiana:			
State revenue sharing	183,884	-	-
Office of Elderly Affairs	22,073	172,979	121,551
Department of Transportation and Development	31,064	-	-
Terrebonne Parish Consolidated Government	-	-	-
Charges for services	-	-	-
Interest income	87,660	-	-
Public support:			
LA Councils on Aging	-	-	-
United Way	-	-	-
Contributions	10,685	5,441	18,293
Other	-	5,059	-
Miscellaneous:			
Program income	-	-	-
Other	45,778	1,318	-
Total revenues	<u>3,408,551</u>	<u>184,797</u>	<u>139,844</u>
<b>Expenditures</b>			
Current:			
General government:			
Ad valorem tax deductions	130,155	-	-
Ad valorem tax adjustment	34,255	-	-
Health and welfare:			
Salaries	45,824	511,046	223,913
Fringe	8,628	96,878	34,682
Travel	3,945	6,496	766
Operating services	51,461	261,599	212,408
Operating supplies	6,578	36,620	105,832
Other costs	3,003	-	-
Meals	-	-	166,464
Capital outlay	608,042	-	-
Debt service:			
Principal retirement	1,645,000	-	-
Interest and fiscal charges	92,725	-	-
Capital outlay	-	-	-
Total expenditures	<u>2,629,616</u>	<u>912,639</u>	<u>744,065</u>
Excess (deficiency) of revenues over expenditures	<u>778,935</u>	<u>(727,842)</u>	<u>(604,221)</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	-	727,842	604,221
Operating transfers out	<u>(1,599,017)</u>	-	-
Total other financing sources (uses)	<u>(1,599,017)</u>	<u>727,842</u>	<u>604,221</u>
<b>Net Change in Fund Balances</b>	<u>(820,082)</u>	-	-
<b>Fund Balances</b>			
Beginning of year	<u>3,576,357</u>	-	-
End of year	<u>\$ 2,756,275</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,027,407
-	-	183,884
-	322,136	638,739
-	-	31,064
-	4,559	4,559
-	100,764	100,764
17,640	-	105,300
-	15,667	15,667
-	12,977	12,977
-	32,809	67,228
-	3,313	8,372
-	9,388	9,388
-	3,590	50,686
17,640	505,203	4,256,035
-	-	130,155
-	-	34,255
-	338,955	1,119,738
-	58,968	199,156
-	1,208	12,415
-	210,711	736,179
-	51,684	200,714
-	26,137	29,140
-	74,560	241,024
-	-	608,042
-	-	1,645,000
-	-	92,725
462,862	-	462,862
462,862	762,223	5,511,405
(445,222)	(257,020)	(1,255,370)
1,026	392,135	1,725,224
-	(126,207)	(1,725,224)
1,026	265,928	-
(444,196)	8,908	(1,255,370)
1,176,989	264,585	5,017,931
\$ 732,793	\$ 273,493	\$ 3,762,561

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**Terrbonne Council on Aging, Inc.**

For the year ended June 30, 2003

Net Change in Fund Balances - Total Governmental Funds \$ (1,255,370)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	\$ 1,070,904	
Depreciation expense	<u>(247,746)</u>	823,158

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and donations, is to increase net assets. (19,478)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Principal payments		1,645,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Decrease in accrued interest payable	30,158	
Increase in compensated absences	<u>(7,122)</u>	<u>23,036</u>

Change in Net Assets of Governmental Activities		<u>\$ 1,216,346</u>
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See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Council on Aging, Inc.**

June 30, 2003

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Terrebonne Council on Aging, Inc. (the Council) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary of certain significant accounting policies:

**a) Purpose of the Council on Aging**

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Terrebonne Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of Terrebonne Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion and transportation.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Reporting Entity**

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by policies and regulations established by GOEA. The Council was created on April 28, 1965, under Act No. 456 of 1964. On September 10, 1975, the Council was incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes of 1950 to operate as a quasi-public, non-profit organization.

A board of directors, consisting of 15 voluntary members, who serve three year terms, governs the Council. The board of directors is comprised of, five representatives of the Parish's general public (to represent all sections of the parish and will be drawn from, but not limited to, civic organizations, governmental agencies, business and religious groups, Terrebonne Parish School Board and Terrebonne Parish Consolidated Government), nine representatives from the communities of the Council's lunch sites (to represent the elderly population) and one representative from other provider agencies which serve the elderly. Board Members are elected by the General Membership of the Council during its annual meeting. There can be no appointed Board member at any given time.

In accordance with the implementation of GASB Statement No. 14, "the Financial Reporting Entity", the Council's basic financial statements include the accounts of all functions and activities. The criteria used to determine whether the Council has component units (separate governmental units, agencies, or nonprofit corporations associated with the Council) includes appointment of a voting majority, imposition of will, imposition of financial benefit to or burden on the Council, and fiscal dependency. The Council has determined that no other outside entity meets the above criteria and should be included in its financial statements. It has been determined however based upon the above criteria that the Council is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and will be included in its comprehensive financial report for the year ending December 31, 2003.



**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation**

The Council's basic financial statements consist of the government-wide statements on all activities of the Council and the governmental fund financial statements (individual major funds and combined non-major funds).

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect cost allocation." In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements:**

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on the major funds in governmental categories. Non-major funds by category or fund type are summarized into a single column.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

The daily accounts and operations of the Council continue to be organized on the basis of funds and accounts groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the Council are grouped into generic fund types and fund categories as follows:

**Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:**

**General Fund** - The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Title III B – Supportive Services Fund and Title III C-2 – Home Delivered Meals Fund are reported as a major funds.

**Capital Projects Fund** - A Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and is reported as a major fund.

The following programs comprise the Council's General Fund:

**Ad Valorem Tax Monies** - Monies are derived from a 7.50 mill parishwide ad valorem tax received through Terrebonne Parish Consolidated Government.

**Act 735 Monies** - Monies are received from GOEA as stated in the Legislative Act 735. These monies are used for the operation and maintenance of the Terrebonne Council on Aging, Inc.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

The following funds are the funds which comprise the Council's Special Revenue Funds:

**Title III B - Supportive Services Fund** - Monies are received from GOEA which are used to provide various units of supportive social services to the elderly. Specific supportive services provided during the fiscal year are information and assistance, personal care, outreach, homemakers, recreation, transportation, legal, material aid, visiting, telephone and wellness. GOEA has established the criteria for defining a qualifying unit of service for each Title III program.

**Title III C - Area Agency Administration Fund** - Monies are received from GOEA and are used to account for a portion of the indirect costs of administering the Council's programs and helps pay for the costs of administering the Council's special programs for the elderly. The amount of money is not enough to pay for all the indirect costs. As a result, the Council will allocate its indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs, in excess of the funds provided by GOEA, are distributed to other funds and programs using a formula based on the percentage each program's direct costs bear to direct costs for all programs.

**Title III C-1 - Congregate Meals Fund** - Monies are received from GOEA and are used to provide a nutritional, congregate meals to the elderly at meal sites located throughout the parish.

**Title III C-2 - Home Delivered Meals Fund** - Monies are received from GOEA and are used to provide nutritional meals to homebound older persons.

**Title III D - Preventive Health Fund** - Monies in this fund are received from GOEA and are used for disease prevention and health promotion activities.

**Title III E - National Family Caregiver Program Fund** - Monies in this fund are received from GOEA and are used to provide relief to family members who are the primary caregiver to an ill and/or bedridden senior individual.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

**USDA Cash-In-Lieu of Commodities Fund** - Monies in this fund are received from the GOEA in-lieu of commodities provided by the United States Department of Agriculture. GOEA began distributing USDA funds to each parish council on aging in Louisiana based on how many meals each council on aging serviced in the previous year in relation to the total meals served statewide by all councils. The primary purpose of the USDA reimbursement is to provide money to the Council so that United States food and commodities may be purchased to supplement nutrition programs. Transfers to the Title III C-1 - Congregate Meals Fund and Title III C-2 - Home Delivered Meals Fund are made.

**Helping Hands Fund** - Donated monies are received from the utility customers of the Terrebonne Parish Consolidated Government, South Louisiana Electric Cooperation Association and Trans LA Gas Company. Donations also flow through the Louisiana Association of Councils on Aging. These monies provide home energy assistance subsidy to low-income elderly and handicap persons.

**Audit Fund** - Monies are received from GOEA that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. The cost allocated to this fund is equal to GOEA supplement. Excess audit costs have been distributed to other funds and programs using the Council's indirect cost allocation formula.

**Disaster Assistance Fund** - Monies are available to assist the elderly in case of hurricanes, tornadoes and other natural disasters.

**Department of Health and Hospitals Fund** - Monies received are reimbursement of costs to complete applications at the Council's certified Medicaid Enrollment Center.

**Supplemental Senior Center Fund** - Monies in this fund are received from GOEA. The Louisiana Legislature appropriated additional money for various councils on aging through Louisiana to be used to supplement the each council's primary state grant for senior center operations and activities. The Council was one of the councils to receive a supplemental grant. The money received by this fund during the year was transferred to the Title III - Fund Supportive Services Fund to supplement the supportive services provided by this fund.



**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

**Senior Center Fund** - Monies are received from the GOEA which are appropriated by the Louisiana Legislature to GOEA. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, the Senior Center Fund then transferred all its grant revenue to the Title III B - Supportive Services Fund to subsidize that program's cost of providing supportive services to elderly persons who use the senior center.

**United Way Fund** - Monies were received from the United Way of South Louisiana to provide transportation to the handicapped and to support Senior Center and Title III Transportation services to elderly persons.

**Special Fund** - Monies are generated through special projects and donations. This fund is used for social, charitable, and athletic events scheduled for the elderly throughout the year.

**Charitable Gaming Fund** - Monies were generated from Bingo and other related gaming activities. All disbursements must be related to charitable gaming activities (prizes, supplies, equipment, operating expenses, contributions for educational, charitable, religious, patriotic and other public spirited organizations).

**Non-Emergency Medical Transportation Fund** - Monies are received from the Department of Health and Hospitals for Medicaid of Louisiana programs for non-emergency medical transportation. Monies are received based on per trip billing.

**Transportation Program Fund** - Monies are received from transportation services provided for nursing home clientele and work connection clientele. Monies are received based on per trip billing.

**Find Work Program Fund** - Funds were received from the Department of Social Services, Office of Family Support for transportation of participants in the state administered Find Work Program. The Council was reimbursed based on a flat rate per month with a ceiling of units that could be provided.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Presentation (Continued)**

**Meals for a Fee Program Fund** - The Council received funds from United Way and clients paying a part of the cost of meals at the time of delivery.

**d) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The Council's definition of available means expected to be received within sixty days of the end of the fiscal year.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) accumulated unpaid vacation and sick pay which is recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of cost such as depreciation are not recognized in the governmental funds.



**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**f) Accounts Receivable**

The financial statements for the Council contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds of the Council.

**g) Cash and Investments**

Cash includes amounts in demand deposits, interest bearing demand deposits and petty cash.

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met.

Investments during the year consisted of the following:

- Certificates of Deposit
- Federal National Mortgage Association Notes
- Federal Home Loan Bank Notes
- Louisiana Asset Management Pool

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

**h) Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-wide Financial Statements:**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and leasehold improvements	10 - 40 years
Office furniture, fixtures and equipment	5 - 12 years
Vehicles, machinery and equipment	5 - 20 years

**Fund Financial Statements:**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**i) Non-Current Liabilities**

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Non-Current Liabilities (continued)**

**Government-wide Financial Statements:**

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accumulated unpaid vacation.

**Fund Financial Statements:**

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

**j) Accumulated Vacation, Compensatory Time and Sick Leave**

The Council's policies regarding vacation and sick leave permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Full-time employees of the Council shall be entitled to vacation with pay and shall accrue vacation time in the following manner:

First year through third year	One week
Fourth year through sixth year	Two weeks
Seventh year through ninth	Three weeks
Ten years or more	Four weeks

Employees may not accumulate and carry forward vacation time beyond the year earned. Accumulated vacation leave is due to the employee at the time of termination of employment. Although sick leave accumulates and is available for employees when needed, it does not vest nor is it payable at termination of employment.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Income Taxes**

Tax exempt status has been granted under Internal Revenue Code Section 501(c)(3).

**l) Interfund Transfers**

Permanent reallocation of resources between funds of the Council are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**m) Related Party Transactions**

There were no related party transactions during the fiscal year.

**n) Allocation of Indirect Expenses:**

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with functions or programs. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

**o) Fund Equity**

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. At June 30, 2003 the District did not report any borrowings.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) Fund Equity (continued)**

- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed except for nutrition services. When providing nutrition services, revenues earned by the Council under its USDA contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use USDA revenues when paying for nutrition program costs. Unrestricted resources could be available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Council will depart from its usual policy of using restricted resources first.

**Fund Financial Statements:**

Governmental fund equity is classified as fund balance. Fund balance may be further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.



**Note 2 - PROPERTY TAXES**

The Council records receipts from the Parish for the 7.50 millage ad valorem tax as ad valorem tax revenue in the General Fund. The Parish acts as the collection agent for these taxes and accounts for these taxes on its books in an agency fund. The Parish withholds certain amounts as reimbursement of expenses that are attributable to the Council. The net revenues are forwarded to the Council for its use on an as needed basis. As described in Note 3, funds not forwarded by the Parish to the Council are invested by the Parish on behalf of the Council.

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A revaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1.

The tax rate for the year ended December 31, 2002 was \$7.50 per \$1,000 of assessed valuation on property for the purpose of operating and maintaining programs for the elderly and disabled persons of Terrebonne Parish. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are recorded as revenue in the period for which levied, thus the 2002 property taxes which are levied to finance expenditures for the 2003 calendar year will be recognized as revenue in the fiscal years ending June 30, 2003 and 2004. Accordingly, approximately one half of the 2002 tax levy is recorded as deferred revenue at June 30, 2003.

**Note 3 - DEPOSITS AND INVESTMENTS**

The Council follows state statutes authorizing investment of excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

State statutes also authorize investment in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the State of Louisiana Asset Management Pool.



**Note 3 - DEPOSITS AND INVESTMENTS (Continued)**

The Council has an arrangement with the Parish whereby the Parish retains and invests on the Council's behalf ad valorem taxes in excess of the Council's operating needs. At June 30, 2003 the Parish had invested \$239,616 for the Council. This amount is included in investments on Exhibits A and C.

**Bank Deposits:**

The Council is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. The Council, however, obtains collateralization for cash at financial institutions which is in excess of the FDIC insurance. Acceptable collateralization includes FDIC insurance and securities pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank, or with a trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Council or its agent in the Council's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the Council's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Council's name and deposits which are uninsured or uncollateralized.

The year-end bank balances of deposits and the carrying amounts as shown on the Statement of Net Assets and Governmental Fund Balance Sheet are as follows:

	Bank Balances			Book Balance
	Risk Category			
	1	2	3	
Cash	\$ 108,090	\$ -	\$166,125	\$192,420
Investments:				
Certificates of deposits	<u>400,000</u>	<u>-</u>	<u>81,574</u>	<u>481,574</u>
Totals	<u>\$508,090</u>	<u>\$ -</u>	<u>\$247,699</u>	<u>\$673,994</u>

**Note 3 - DEPOSITS AND INVESTMENTS (Continued)**

At June 30, 2003, cash and certificates of deposit were adequately collateralized by securities held by unaffiliated banks for the account of the depositor. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Investments:**

The Council's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the Council or its agent in the Council's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Council's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the Council's name, uninsured and unregistered.

At year end, the investment balances are as follows:

	Reported Amount/ <u>Fair Value</u>
Investments not subject to categorization:	
Louisiana Asset Management Pool (LAMP)	<u>\$4,842,503</u>

**Note 3 - DEPOSITS AND INVESTMENTS (Continued)**

Investments held at June 30, 2003 consist of \$4,842,503 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2003 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

**Note 3 - DEPOSITS AND INVESTMENTS (Continued)**

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

A reconciliation of deposits and investments as shown on the Statement of Net Assets and Governmental Fund Balance Sheet is as follows:

Cash on hand	\$ 1,064
Carrying amount of deposits	673,994
Carrying amount of investments	<u>4,842,503</u>
 Total	 <u>\$5,517,561</u>
 Cash	 \$ 193,484
Investments	<u>5,324,077</u>
 Total	 <u>\$5,517,561</u>

**Note 4 - CONTRACTS RECEIVABLE**

Contracts receivable at June 30, 2003 consisted of reimbursements for expenditures incurred under the following programs:

State of Louisiana -	
Office of Elderly Affairs -	
Title III C - Area Agency Administration	\$ 2,129
Department of Health and Hospitals -	
Non-Emergency Medical Transportation Program	5,265
Terrebonne Parish Consolidated Government -	
Helping Hands	988
Arts Grants	1,500
United Way -	
Meals for a Fee Program	553
Nursing Homes - Transportation Programs	<u>7,714</u>
 Total	 <u>\$18,149</u>

**Note 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2003 was as follows:

	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2003</u>
Capital assets not being depreciated:				
Land	\$ 327,254	\$ 220,000	\$ -	\$ 547,254
Construction in progress	<u>118,830</u>	<u>444,726</u>	<u>-</u>	<u>563,556</u>
Total capital assets not being depreciated	<u>446,084</u>	<u>664,726</u>	<u>-</u>	<u>1,110,810</u>
Capital assets being depreciated:				
Buildings and leasehold improvements	963,407	-	-	963,407
Office furniture, fixtures and equipment	150,571	36,276	-	186,847
Vehicles, machinery and equipment	<u>955,242</u>	<u>369,902</u>	<u>100,678</u>	<u>1,224,466</u>
Total capital assets being depreciated	<u>2,069,220</u>	<u>406,178</u>	<u>100,678</u>	<u>2,374,720</u>
Less accumulated depreciation for:				
Buildings and leasehold improvements	(124,431)	(29,252)	-	(153,683)
Office furniture, fixtures and equipment	(81,357)	(18,432)	-	(99,789)
Vehicles, machinery and equipment	<u>(290,530)</u>	<u>(200,062)</u>	<u>81,200</u>	<u>(409,392)</u>
Total accumulated depreciation	<u>(496,318)</u>	<u>(247,746)</u>	<u>81,200</u>	<u>(662,864)</u>
Total capital assets being depreciated, net	<u>1,572,902</u>	<u>158,432</u>	<u>19,478</u>	<u>1,711,856</u>
Total capital assets, net	<u>\$ 2,018,986</u>	<u>\$ 823,158</u>	<u>\$ 19,478</u>	<u>\$ 2,822,666</u>

Leasehold improvements include a senior center building with a cost of \$159,262 which was constructed on land owned by the Chauvin Senior Citizens, Inc. The Council is operating the building on a month to month basis at no cost for the land.

Construction in progress consists of costs associated with building renovations and construction of a new senior center.

At July 1, 2002, \$194,531 previously reported as buildings and leasehold improvements was reclassified as land.

**Note 5 - CHANGES IN CAPITAL ASSETS (Continued)**

Depreciation was charged to governmental activities as follows:

Administration	\$ 33,239
Nutrition Services:	
Congregate Meals	8,598
Home Delivered Meals	120,756
Supportive Services:	
Transportation	75,225
Recreation	4,302
Wellness	3,310
Information and Assistance	1,158
Other	<u>1,158</u>
	<u>\$247,746</u>

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES**

Accounts payable and accrued expenditures at June 30, 2003 consisted of the following:

	<u>Vendors</u>	<u>Salaries And Benefits</u>	<u>Terrebonne Parish Consolidated Government</u>	<u>Protest Taxes</u>	<u>Other</u>	<u>Total Payables</u>
Governmental activities:						
General Fund	\$ 3,052	\$ 1,465	\$ 14,268	\$ 218,509	\$ 7,125	\$ 244,419
Title III B - Supportive Services Fund	16,006	12,906	-	-	-	28,912
Title III C-2 - Home Delivered Meals Fund	26,437	5,727	-	-	-	32,164
Capital Projects Fund	-	-	-	-	1,026	1,026
Non-major Funds	<u>12,793</u>	<u>8,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,264</u>
Total accounts payable and accrued expenditures	\$ <u>58,288</u>	\$ <u>28,569</u>	\$ <u>14,268</u>	\$ <u>218,509</u>	\$ <u>8,151</u>	\$ <u>327,785</u>



**Note 7 - ADVANCES FROM FUNDING AGENCIES**

Advances from funding agencies represent funds received which have not yet been distributed for the purpose designated. A summary of the Council's advances from funding agencies is as follows:

State of Louisiana -	
Office of Elderly Affairs -	
Title III D - Preventive Health	\$ 5,855
Title III E - National Family Caregiver Program	8,224
Disaster Assistance	<u>6,186</u>
Total	<u>\$20,265</u>

Titles III D and E revenue was unearned for this fiscal year because insufficient expenditures/expenses and respite service expenses/expenditures were made. Expenditures/expenses relating to Disaster Assistance will occur in a future period.

**Note 8 - DUE TO/FROM OTHER FUNDS**

Due to/from other funds are listed by fund for the year ended June 30, 2003:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund:		
Title III B-Supportive Services Fund	\$ -	\$ 28,912
Title III C-2-Home Delivered Meals Fund	-	32,164
Capital Projects Fund	479,701	-
Non-major Funds	<u>2,118</u>	<u>296,091</u>
Totals	<u>481,819</u>	<u>357,167</u>
Title III B-Supportive Services Fund:		
General Fund	<u>28,912</u>	

**Note 8 - DUE TO/FROM OTHER FUNDS (Continued)**

**Title III C-2-Home Delivered Meals Fund:**

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	<u>32,164</u>	
Capital Projects Fund:		
General Fund		<u>479,701</u>
Non-major Funds:		
General Fund	<u>296,091</u>	<u>2,118</u>
Grand Totals	<u>\$838,986</u>	<u>\$838,986</u>

The balances above resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

**Note 9 - NON-CURRENT LIABILITIES**

Non-current liabilities consist of accumulated unpaid vacation. The following is a summary of the changes in long-term obligations of the Council for the year ended June 30, 2003:

Non-current liabilities, July 1, 2002	\$1,689,459
Retirement of long-term debt	(1,645,000)
Net increase in unpaid vacation	<u>7,122</u>
Non-current liabilities, June 30, 2003	<u>\$ 51,581</u>

**Note 10 - INTERFUND TRANSFERS**

Operating transfers in and out are listed by fund for the year ended June 30, 2003:

	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
<b>General Fund:</b>		
Title III B-Supportive Services Fund		\$ 674,966
Title III C-2-Home Delivered Meals Fund		554,248
Capital Projects Fund		1,026
<b>Non-major Funds:</b>		
Title III C-1-Congregate Meals Fund		97,923
Title III D-Preventive Health Fund		1,073
Title III E-National Family Caregiver Program Fund		8,251
Disaster Assistance Fund		20,000
United Way Fund		94,259
Special Fund		36,578
Non-Emergency Medical Transportation Fund		<u>110,693</u>
Total		<u>1,599,017</u>
 <b>Title III B-Supportive Services Fund:</b>		
General Fund	\$ 674,966	
<b>Non-major Funds:</b>		
Supplemental Senior Center Fund	3,825	
Senior Center Fund	<u>49,051</u>	
Total	<u>727,842</u>	
 <b>Title III C-2-Home Delivered Meals Fund:</b>		
General Fund	554,248	
<b>Non-major Funds:</b>		
USDA Cash-in-Lieu of Commodities Fund	<u>49,973</u>	
Total	<u>604,221</u>	
 <b>Capital Projects Fund:</b>		
General Fund	<u>1,026</u>	

**Note 10 - INTERFUND TRANSFERS (Continued)**

	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Non-major Funds:		
General Fund	368,777	\$ -
Title III B-Supportive Services Fund	-	52,876
Title III C-2-Home Delivered Meals Fund	-	49,973
Non-Major Funds:		
Title III C-1-Congregate Meals Fund	17,558	-
USDA Cash-in-Lieu of Commodities Fund	-	17,558
Special Fund	5,800	-
Charitable Gaming Fund	-	5,800
Totals	<u>392,135</u>	<u>126,207</u>
Grand Totals	<u>\$1,725,224</u>	<u>\$1,725,224</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund and certain Special Revenue Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 11 - RISK MANAGEMENT**

The Council is exposed to various risks of loss related to workers' compensation; torts; thefts of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Council carries commercial insurance and also participates in the Parish's risk management program for group insurance. No settlements were made during the year that exceeded the Council's insurance coverage. The Council's premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims filed against the Council for which it has insurance coverage under the Parish.

The Parish is self-insured for the first \$125,000 of each claim relating to group health insurance. The aggregate deductible for all group claims related to group insurance for the year ended December 31, 2002 was \$8,550,420. Insurance contracts cover the excess liability, up to \$1,000,000 on individual claims. Each covered employee is subject to a

**Note 11 - RISK MANAGEMENT (Continued)**

lifetime maximum claims limit of \$1,000,000. Coverage for group health claims in excess of the above limits are to be funded first by assets of the Parish's group health internal service fund, \$211,176 at December 31, 2002, then by the entities participating in the group health plan and finally by the employee for individual claims in excess of \$1,000,000. At June 30, 2003 the Council had no claims in excess of the coverage limits. Total premiums paid to the Parish for group insurance for the year ended June 30, 2003 amounted to \$120,800.

**Note 12 - REITIREMENT PLAN**

The Council established a Thrift Plan for Employees, under Internal Revenue Code Section 403 (b), for its eligible employees as of January 1, 2002. Under this plan participating employees are permitted to make elective deferrals in amounts that are within the limits of Code Sections 403(b) and 402(g) of their compensation and the Council will match 20% of the amount contributed not to exceed 3% of the employee's compensation after 2 years of service. An additional 20% of the amount contributed will be added per year thereafter until the match reaches 100% after 6 years. The Council's cost of the plan for the year ended June 30, 2003 is \$15,605.

**Note 13 - IRC SECTION 125 CAFETERIA PLAN**

The Council provides an Internal Revenue Code Section 125 "Cafeteria" plan for all its full-time employees. Under this plan an eligible employee can elect to have a portion of their compensation reduced to pay for insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each full-time employee.

**Note 14 - IN-KIND CONTRIBUTIONS**

The Terrebonne Council on Aging, Inc. received various in-kind contributions during the year. The following facilities, goods and services were furnished at no cost to the Council:

- Congregate meal sites
- Volunteer services
- Volunteers' vehicle and travel

**Note 14 - IN-KIND CONTRIBUTIONS(Continued)**

- Building usage for the old main office, Bayou Towers, Neal Ransonet, Shady Oak, And Bonne Terre Village Senior Centers
- Operating supplies and services
- Material aide

While these contributions have not been reported, the offsetting expenditures have also not been reported in the governmental fund financial statements.

**Note 15 - ECONOMIC DEPENDENCY**

The Council receives a majority of its program revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the program funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of program funds the Council will receive in the next fiscal year.

For the year ended June 30, 2003 the Council recognized property tax revenue of \$3,027,407. This additional revenue reduces the dependency by the Council on federal and state grants.

**Note 16 - CONTINGENCIES – GRANT PROGRAMS**

The Council participates in a number of federally assisted programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year-end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.



**Note 17 - JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES**

The Council is a defendant in several lawsuits. While it is not feasible to predict or determine the outcome of these matters, it is the opinion of management that the ultimate outcome will not have a material adverse effect on the financial position of the Council. Accordingly, no obligation for the claims have been recognized by the Council in the financial statements.

**Note 18 - INCOME TAX STATUS**

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code, and is not a private foundation as defined in Section 509 (a) of the Code. It is also exempt from Louisiana income tax.

**Note 19 - RELATED PARTY TRANSACTIONS**

There were no significant related party transactions during the year.

**Note 20 - BOARD OF DIRECTORS**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes - ad valorem	\$ 2,900,000	\$ 2,500,000	\$ 3,027,407	\$ 527,407
Intergovernmental	290,568	297,573	237,021	(60,552)
Interest income	150,000	125,000	87,660	(37,340)
Public support	700	9,507	10,685	1,178
Miscellaneous	30,534	43,726	45,778	2,052
Total revenues	<u>3,371,802</u>	<u>2,975,806</u>	<u>3,408,551</u>	<u>432,745</u>
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax deductions	100,000	100,000	130,155	(30,155)
Ad valorem tax adjustment	182,000	182,000	34,255	147,745
Health and welfare:				
Salaries	66,799	61,821	45,824	15,997
Fringe	10,713	10,669	8,628	2,041
Travel	6,203	3,735	3,945	(210)
Operating services	24,118	36,639	51,461	(14,822)
Operating supplies	7,130	10,357	6,578	3,779
Other costs	25,598	2,069	3,003	(934)
Capital outlay	442,000	688,700	608,042	80,658
Debt Service:				
Princial retirement	465,000	1,645,000	1,645,000	-
Interest and fiscal charges	-	-	92,725	(92,725)
Total expenditures	<u>1,329,561</u>	<u>2,740,990</u>	<u>2,629,616</u>	<u>111,374</u>
Excess of revenues over expenditures	2,042,241	234,816	778,935	544,119
<b>Other Financing Uses</b>				
Operating transfers out	<u>(1,754,064)</u>	<u>(1,819,748)</u>	<u>(1,599,017)</u>	<u>220,731</u>
<b>Net Change in Fund Balance</b>	288,177	(1,584,932)	(820,082)	<u>\$ 764,850</u>
<b>Fund Balance</b>				
Beginning of year	<u>3,576,357</u>	<u>3,576,357</u>	<u>3,576,357</u>	
End of year	<u>\$ 3,864,534</u>	<u>\$ 1,991,425</u>	<u>\$ 2,756,275</u>	

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**TITLE III B - SUPPORTIVE SERVICES FUND**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 172,979	\$ 172,979	\$ 172,979	\$ -
Public support	14,000	12,402	10,500	(1,902)
Miscellaneous	1,431	1,497	1,318	(179)
<b>Total revenues</b>	<u>188,410</u>	<u>186,878</u>	<u>184,797</u>	<u>(2,081)</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	511,282	576,237	511,046	65,191
Fringe	81,988	95,682	96,878	(1,196)
Travel	7,561	9,076	6,496	2,580
Operating services	355,539	340,340	261,599	78,741
Operating supplies	45,480	50,332	36,620	13,712
<b>Total expenditures</b>	<u>1,001,850</u>	<u>1,071,667</u>	<u>912,639</u>	<u>159,028</u>
Deficiency of revenues over expenditures	(813,440)	(884,789)	(727,842)	156,947
<b>Other Financing Sources</b>				
Operating transfers in	<u>813,440</u>	<u>884,789</u>	<u>727,842</u>	<u>(156,947)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**TITLE III C-2 - HOME DELIVERED MEALS FUND**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 121,551	\$ 121,551	\$ 121,551	\$ -
Public support	25,200	20,608	18,293	(2,315)
Total revenues	<u>146,751</u>	<u>142,159</u>	<u>139,844</u>	<u>(2,315)</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	248,513	264,865	223,913	40,952
Fringe	39,993	43,858	34,682	9,176
Travel	1,717	3,036	766	2,270
Operating services	153,431	206,364	212,408	(6,044)
Operating supplies	104,274	92,128	105,832	(13,704)
Meals	218,000	176,904	166,464	10,440
Total expenditures	<u>765,928</u>	<u>787,155</u>	<u>744,065</u>	<u>43,090</u>
Deficiency of revenues over expenditures	(619,177)	(644,996)	(604,221)	40,775
<b>Other Financing Sources</b>				
Operating transfers in	<u>619,177</u>	<u>644,996</u>	<u>604,221</u>	<u>(40,775)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.

**GASB REQUIRED SUPPLEMENTARY INFORMATION SECTION**



**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

The Council adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- GOEA notifies the Council each year as to the funding levels for each program's award.
- The Council may also obtain funds from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.
- Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
- The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the GOEA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was only one amendment during the year which was effective April 1, 2003.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain prior approval from the GOEA for funds received under grants from this state agency. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.



**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**  
(Continued)

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

- Expenditures cannot legally exceed appropriations on an individual fund level.
- The Council has established policies requiring public participation in the budget process.
- The budget for special revenue funds is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Major funds, for which annual budgets are adopted, are included in the budget presentations in required supplementary information

The following individual funds had actual expenditures and transfers out exceeding appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
United Way Fund	92,145	101,415	(9,270)
Non-Emergency Medical Transportation Fund	186,599	196,967	(10,368)
Meals for a Fee Program Fund	27,985	30,340	(2,255)

The over expenditures were funded by available fund balances or General Fund transfers.

**SUPPLEMENTARY INFORMATION SECTION**



Bourgeois Bennett

## **INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION**

To the Board of Directors,  
Terrebonne Council on Aging, Inc.,  
Houma, Louisiana.

Our report on our audit of the basic financial statements of the Terrebonne Council on Aging, Inc., (the Council) for the year ended June 30, 2003, appears on pages 1 and 2. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The accompanying schedules listed in the table of contents including the combining and governmental fund financial statements and schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government, and Non-Profit Organizations and Units of Service, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for certain information marked "unaudited" in Schedule 9, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements for the year ended June 30, 2003, taken as a whole.

We also have previously audited, in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the governmental fund balance sheets of the Terrebonne Council on Aging, Inc., as of June 30, 2002 and 2001, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended June 30, 2002 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of governmental fund revenues and expenditures and graphs of governmental fund revenues and expenditures for the years ended June 30, 2002 and 2001 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 20, 2003.

**BALANCE SHEET - GOVERNMENTAL FUND -**  
**GENERAL FUND PROGRAMS**

**Terrebonne Council on Aging, Inc.**

June 30, 2003

	Programs of the General Fund		
	Ad Valorem Tax Monies	Act 735 Monies	Total
<b>Assets</b>			
Cash	\$ 193,084		\$ 193,084
Investments	4,117,657		4,117,657
Taxes receivable	34,489		34,489
Other current assets	1,700		1,700
Due from other funds	481,819		481,819
Deposits	26,915		26,915
 Total assets	 <u>\$ 4,855,664</u>	 <u>\$ -</u>	 <u>\$ 4,855,664</u>
 <b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 244,419		\$ 244,419
Due to other funds	357,167		357,167
Deferred revenue	1,497,803		1,497,803
 Total liabilities	 <u>2,099,389</u>		 <u>2,099,389</u>
 <b>Fund Balance</b>			
Reserved for deposits toward vehicle purchaes	23,122		23,122
Unreserved	2,733,153		2,733,153
 Total fund balances	 <u>2,756,275</u>		 <u>2,756,275</u>
 Total liabilities and fund balance	 <u>\$ 4,855,664</u>	 <u>\$ -</u>	 <u>\$ 4,855,664</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - GOVERNMENTAL FUND - GENERAL FUND PROGRAMS**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

	General Fund Programs		
	Ad Valorem Tax Monies	Act 735 Monies	Total
<b>Revenues</b>			
Taxes - ad valorem	\$ 3,027,407	\$ -	\$ 3,027,407
Intergovernmental:			
State of Louisiana:			
State revenue sharing	183,884	-	183,884
Office of Elderly Affairs - Act 735		22,073	22,073
Department for Transportation and Development	31,064	-	31,064
Interest income	87,660	-	87,660
Public support:			
Contributions	10,685	-	10,685
Miscellaneous:			
Other	45,778	-	45,778
Total revenues	3,386,478	22,073	3,408,551
<b>Expenditures</b>			
Current:			
General government:			
Ad valorem tax deductions	130,155		130,155
Ad valorem tax adjustment	34,255		34,255
Total general government	164,410		164,410
Health and welfare:			
Salaries	45,824		45,824
Fringe	8,628		8,628
Travel	3,945		3,945
Operating services	51,461		51,461
Operating supplies	6,578		6,578
Other costs	3,003		3,003
Capital outlay	608,042		608,042
Total health and welfare	727,481		727,481
Debt Service:			
Principal retirement	1,645,000		1,645,000
Interest and fiscal charges	92,725		92,725
Total debt service	1,737,725		1,737,725
Total expenditures	2,629,616		2,629,616
Excess of revenues over expenditures	756,862	22,073	778,935
<b>Other Financing Uses</b>			
Operating transfers out	(1,576,944)	(22,073)	(1,599,017)
<b>Net Change in Fund Balance</b>	(820,082)	-	(820,082)
<b>Fund Balance</b>			
Beginning of year	3,576,357	-	3,576,357
End of year	\$ 2,756,275	\$ -	\$ 2,756,275



**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

**Terrebonne Council on Aging, Inc.**

June 30, 2003

	Title III C - Area Agency Administration Fund	Title III C-1 - Congregate Meals Fund	Title III D - Preventive Health Fund
<b>Assets</b>			
Cash	\$ -	\$ -	\$ -
Contracts receivable	2,129	-	-
Due from other funds	-	9,650	5,896
Deposits	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,129</u>	<u>\$ 9,650</u>	<u>\$ 5,896</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 949	\$ 9,650	\$ 41
Advances from funding agencies	-	-	5,855
Due to other funds	1,180	-	-
	<u>1,180</u>	<u>-</u>	<u>-</u>
Total liabilities	2,129	9,650	5,896
<b>Fund Balances</b>			
Unreserved	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,129</u>	<u>\$ 9,650</u>	<u>\$ 5,896</u>



Title III E - National Family Caregiver Program Fund	USDA Cash- In-Lieu of Commodities Fund	Helping Hands Fund	Audit Fund	Disaster Assistance Fund	Department of Health and Hospitals Fund	Supplemental Senior Center Fund
\$ -		\$ -		\$ -	\$ -	
-		988		-		
9,858		7,632		99,988	602	
-		-		-	-	
<u>\$ 9,858</u>	<u>\$ -</u>	<u>\$ 8,620</u>	<u>\$ -</u>	<u>\$ 99,988</u>	<u>\$ 602</u>	<u>\$ -</u>
\$ 1,634				\$ -		
8,224				6,186		
-				-		
9,858				6,186		
-		\$ 8,620		93,802	\$ 602	
<u>\$ 9,858</u>	<u>\$ -</u>	<u>\$ 8,620</u>	<u>\$ -</u>	<u>\$ 99,988</u>	<u>\$ 602</u>	<u>\$ -</u>

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

**Terrebonne Council on Aging, Inc.**

June 30, 2003

	Senior Center Fund	United Way Fund	Special Fund	Charitable Gaming Fund	Non-Emergency Medical Transportation Fund
<b>Assets</b>					
Cash		\$ -	\$ 400	\$ -	\$ -
Contracts receivable		-	1,500	-	5,265
Due from other funds		2,450	76,535	10,544	-
Deposits		-	2,500	-	-
		<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 2,450</u>	<u>\$ 80,935</u>	<u>\$ 10,544</u>	<u>\$ 5,265</u>
<b>Liabilities</b>					
Accounts payable and accrued expenditures		\$ 2,450	\$ 1,106		\$ 4,327
Advances from funding agencies		-	-		-
Due to other funds		-	-		938
		<u>-</u>	<u>-</u>		<u>938</u>
Total liabilities		2,450	1,106		5,265
<b>Fund Balances</b>					
Unreserved		<u>-</u>	<u>79,829</u>	<u>\$ 10,544</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,450</u>	<u>\$ 80,935</u>	<u>\$ 10,544</u>	<u>\$ 5,265</u>

**Schedule 3**  
**(Continued)**

<u>Transportation Program Fund</u>	<u>Find Work Program Fund</u>	<u>Meals For a Fee Program Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 400
7,714	-	553	18,149
682	67,088	5,166	296,091
-	-	-	2,500
<u>\$ 8,396</u>	<u>\$ 67,088</u>	<u>\$ 5,719</u>	<u>\$ 317,140</u>
\$ 90		\$ 1,017	\$ 21,264
-		-	20,265
-		-	2,118
90		1,017	43,647
<u>8,306</u>	<u>\$ 67,088</u>	<u>4,702</u>	<u>273,493</u>
<u>\$ 8,396</u>	<u>\$ 67,088</u>	<u>\$ 5,719</u>	<u>\$ 317,140</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

	Title III C - Area Agency Administration Fund	Title III C-1 - Congregate Meals Fund	Title III D - Preventive Health Fund
<b>Revenues</b>			
Intergovernmental:			
State of Louisiana:			
Office of Elderly Affairs	\$ 40,529	\$ 121,552	\$ 684
Terrebonne Parish Consolidated Government	-	-	-
Charges for services	-	-	-
Public support:			
LA Councils on Aging	-	-	-
United Way	-	-	-
Contributions	-	22,500	-
Other	-	-	-
Miscellaneous:			
Program income	-	-	-
Other	-	3,340	-
	<u>40,529</u>	<u>147,392</u>	<u>684</u>
Total revenues			
<b>Expenditures</b>			
Current:			
Health and welfare:			
Salaries	18,853	96,900	817
Fringe	3,409	13,485	148
Travel	68	242	3
Operating services	14,651	70,598	635
Operating supplies	3,548	15,406	154
Other costs	-	-	-
Meals	-	66,242	-
	<u>40,529</u>	<u>262,873</u>	<u>1,757</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(115,481)</u>	<u>(1,073)</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in		115,481	1,073
Operating transfers out		<u>-</u>	<u>-</u>
Total other financing sources (uses)		<u>115,481</u>	<u>1,073</u>
<b>Net Change in Fund Balances</b>	-	-	-
<b>Fund Balances</b>			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Title III E - National Family Caregiver Program Fund</u>	<u>USDA Cash- In-Lieu of Commodities Fund</u>	<u>Helping Hands Fund</u>	<u>Audit Fund</u>	<u>Disaster Assistance Fund</u>	<u>Department of Health and Hospitals Fund</u>	<u>Supplemental Senior Center Fund</u>
\$ 35,885	\$ 67,531	\$ -	\$ 3,079		\$ -	\$ 3,825
-	-	988	-		-	-
-	-	-	-		98	-
-	-	15,667	-		-	-
-	-	-	-		-	-
-	-	-	-		-	-
-	-	1,313	-		-	-
-	-	-	-		-	-
-	-	-	-		-	-
<u>35,885</u>	<u>67,531</u>	<u>17,968</u>	<u>3,079</u>		<u>98</u>	<u>3,825</u>
18,372		-				
4,424		-				
689		-				
12,336		-	3,079			
642		-				
7,673		16,049				
-		-				
<u>44,136</u>		<u>16,049</u>	<u>3,079</u>			
<u>(8,251)</u>	<u>67,531</u>	<u>1,919</u>	<u>-</u>		<u>98</u>	<u>3,825</u>
8,251	-			\$ 20,000		
-	<u>(67,531)</u>			<u>-</u>		<u>(3,825)</u>
<u>8,251</u>	<u>(67,531)</u>			<u>20,000</u>		<u>(3,825)</u>
-	-	1,919	-	20,000	98	-
-	-	6,701	-	73,802	504	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,620</u>	<u>\$ -</u>	<u>\$ 93,802</u>	<u>\$ 602</u>	<u>\$ -</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

	<u>Senior Center Fund</u>	<u>United Way Fund</u>	<u>Special Fund</u>
<b>Revenues</b>			
Intergovernmental:			
State of Louisiana:			
Office of Elderly Affairs	\$ 49,051	\$ -	\$ -
Terrebonne Parish Consolidated Government	-	-	3,571
Charges for services	-	-	1,118
Public Support:			
LA Councils on Aging	-	-	-
United Way	-	6,878	-
Contributions	-	278	10,031
Other	-	-	2,000
Miscellaneous:			
Program income	-	-	9,388
Other	-	-	250
Total revenues	<u>49,051</u>	<u>7,156</u>	<u>26,358</u>
<b>Expenditures</b>			
Current:			
Health and welfare:			
Salaries		62,984	10,593
Fringe		11,530	2,054
Travel		55	12
Operating services		21,418	35,027
Operating supplies		5,428	10,683
Other costs		-	2,415
Meals		-	975
Total expenditures		<u>101,415</u>	<u>61,759</u>
Excess (deficiency) of revenues over expenditures	<u>49,051</u>	<u>(94,259)</u>	<u>(35,401)</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	-	94,259	42,378
Operating transfers out	<u>(49,051)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(49,051)</u>	<u>94,259</u>	<u>42,378</u>
<b>Net Change in Fund Balances</b>	-	-	6,977
<b>Fund Balances</b>			
Beginning of year	<u>-</u>	<u>-</u>	<u>72,852</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,829</u>



**Schedule 4  
(Continued)**

<u>Charitable Gaming Fund</u>	<u>Non -Emergency Medical Transportation Fund</u>	<u>Transportation Program Fund</u>	<u>Find Work Program Fund</u>	<u>Meals for a Fee Program Fund</u>	<u>Total</u>
	\$ -	\$ -		\$ -	\$ 322,136
	-	-		-	4,559
	86,274	2,195		11,079	100,764
	-	-		-	15,667
	-	-		6,099	12,977
	-	-		-	32,809
	-	-		-	3,313
	-	-		-	9,388
	-	-		-	3,590
	<u>86,274</u>	<u>2,195</u>		<u>17,178</u>	<u>505,203</u>
	121,179	1,697		7,560	338,955
	22,407	327		1,184	58,968
	110	3		26	1,208
	42,081	1,040		9,846	210,711
	11,190	252		4,381	51,684
	-	-		-	26,137
	-	-		7,343	74,560
	<u>196,967</u>	<u>3,319</u>		<u>30,340</u>	<u>762,223</u>
	<u>(110,693)</u>	<u>(1,124)</u>		<u>(13,162)</u>	<u>(257,020)</u>
\$ -	110,693				392,135
<u>(5,800)</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>(126,207)</u>
<u>(5,800)</u>	<u>110,693</u>	<u>-</u>		<u>-</u>	<u>265,928</u>
(5,800)	-	(1,124)		(13,162)	8,908
<u>16,344</u>	<u>-</u>	<u>9,430</u>	<u>67,088</u>	<u>17,864</u>	<u>264,585</u>
<u>\$ 10,544</u>	<u>\$ -</u>	<u>\$ 8,306</u>	<u>\$ 67,088</u>	<u>\$ 4,702</u>	<u>\$ 273,493</u>

**COMPARATIVE STATEMENT OF CAPITAL ASSETS**  
**AND CHANGES IN CAPITAL ASSETS**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<b>Capital Assets, at Cost:</b>				
Land	\$ 327,254	\$ 220,000	\$ -	\$ 547,254
Buildings and leasehold improvements	963,407	-	-	963,407
Office furniture, fixtures and equipment	150,571	36,276	-	186,847
Vehicles, machinery and equipment	955,242	369,902	100,678	1,224,466
Construction in progress	118,830	444,726	-	563,556
<b>Total capital assets</b>	<b><u>\$ 2,515,304</u></b>	<b><u>\$ 1,070,904</u></b>	<b><u>\$ 100,678</u></b>	<b><u>\$ 3,485,530</u></b>
<b>Investment in Capital Assets:</b>				
Property acquired with funds from -				
General and Other Funds	\$ 1,022,882	\$ 608,042	\$ 100,678	\$ 1,530,246
Capital Projects Fund	1,307,113	462,862	-	1,769,975
Title III C - 1 - Congregate Meals	2,502	-	-	2,502
Title III F - Disease Prevention and Health Promotion Services	1,800	-	-	1,800
Senior Citizens	168,853	-	-	168,853
Senior Center	2,230	-	-	2,230
Ombudsman	7,043	-	-	7,043
Disaster Assistance	2,881	-	-	2,881
<b>Total investment in capital assets</b>	<b><u>\$ 2,515,304</u></b>	<b><u>\$ 1,070,904</u></b>	<b><u>\$ 100,678</u></b>	<b><u>\$ 3,485,530</u></b>

Note: As of July 1, 2002 the Building Fund, which previously reported \$440,999 of funds invested in capital assets was combined into the Capital Projects Fund. Also at July 1, 2002, \$194,531 previously reported as buildings and leasehold improvements was reclassified as land.

**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**GOVERNMENTAL FUNDS**

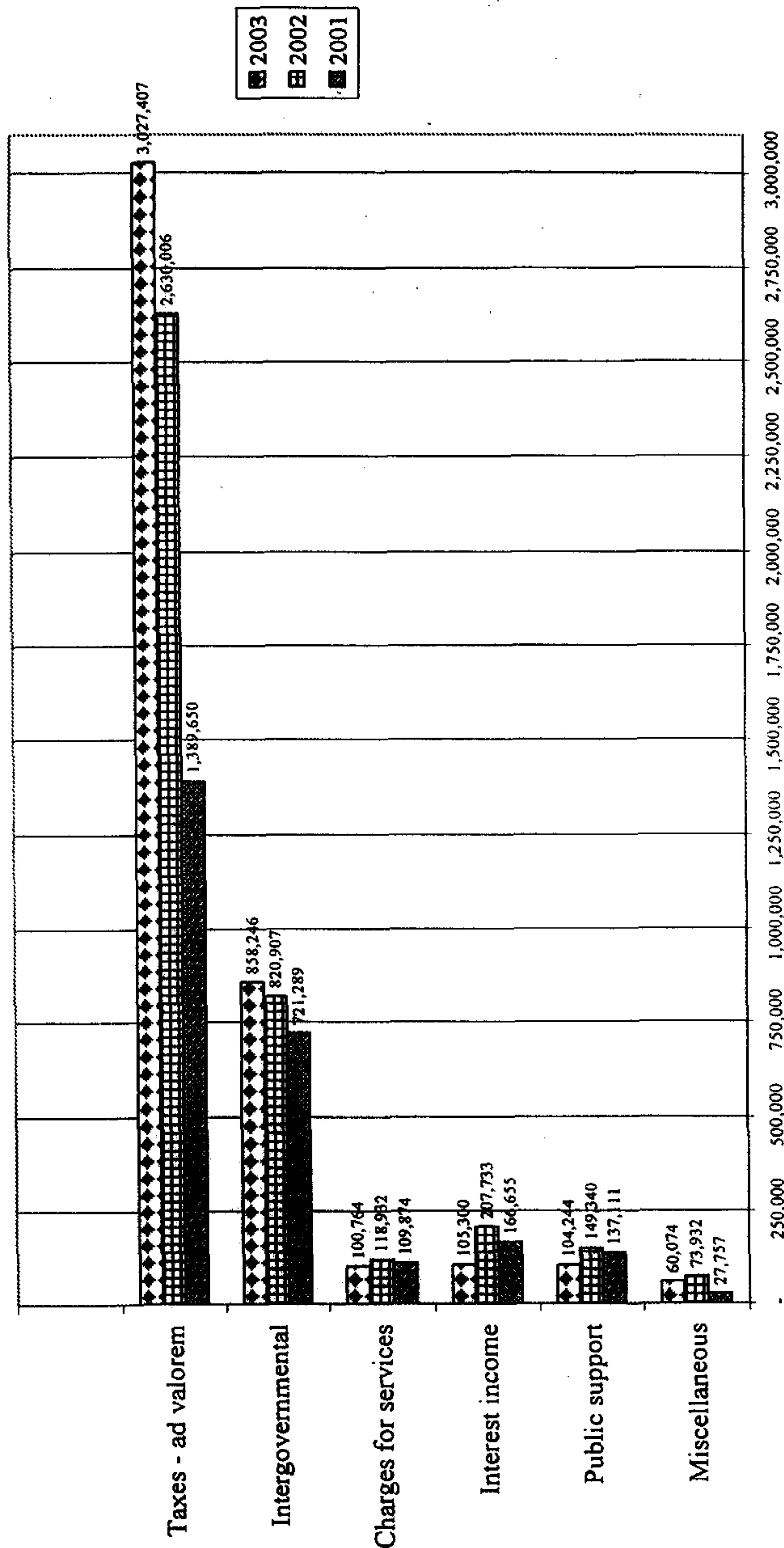
**Terrebonne Council on Aging, Inc.**

For the years ended June 30, 2003, 2002 and 2001

	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Revenues</b>			
Taxes - ad valorem	\$ 3,027,407	\$ 2,630,006	\$ 1,389,650
Intergovernmental	858,246	820,907	721,289
Charges for services	100,764	118,932	109,874
Interest income	105,300	207,733	166,655
Public support	104,244	149,340	137,111
Miscellaneous	60,074	73,932	27,757
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 4,256,035</u>	<u>\$ 4,000,850</u>	<u>\$ 2,552,336</u>
<b>Expenditures</b>			
Current:			
General government	\$ 164,410	\$ 296,158	\$ 57,739
Salaries	1,119,738	979,985	822,385
Fringe	199,156	162,573	114,999
Travel	12,415	15,965	14,339
Operating services	736,179	465,766	453,024
Operating supplies	200,714	149,289	194,560
Other costs	29,140	26,372	15,551
Meals	241,024	231,009	200,331
Capital outlay - general fund	608,042	589,864	58,064
Debt service	1,737,725	465,750	13,889
Capital outlay	462,862	271,713	597,188
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 5,511,405</u>	<u>\$ 3,654,444</u>	<u>\$ 2,542,069</u>

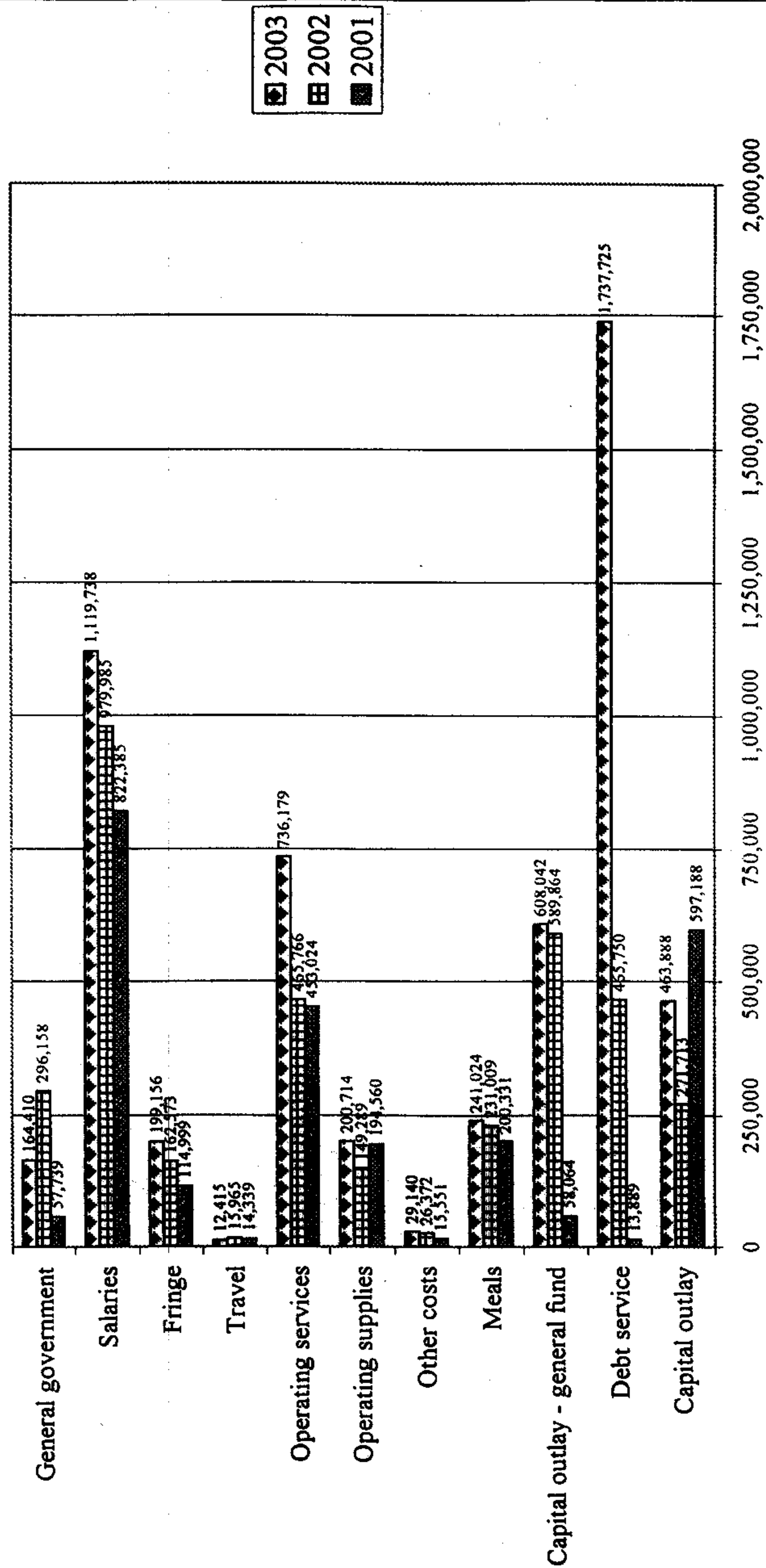
**REVENUES - GOVERNMENTAL FUNDS****Terrebonne Council on Aging, Inc.**

For the years ended June 30, 2003, 2002 and 2001



**EXPENDITURES - GOVERNMENTAL FUNDS****Terrebonne Council on Aging, Inc.**

For the years ended June 30, 2003, 2002 and 2001



**UNITS OF SERVICE****Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

(Unaudited)

	<u>Units</u>
<b>Title III B - Supportive Services Fund:</b>	
Information and Assistance	4,450
Personal Care	6,077
Outreach	276
Homemaker	1,962
Recreation	20,960
Transportation	43,955
Legal	291
Material Aid	20,267
Visiting	1,944
Telephone	2,735
Wellness	9,487
<b>Title III C-1 - Congregate Meals Fund:</b>	
Congregate Meals	37,348
<b>Title III C-2 - Home Delivered Meals Fund:</b>	
Home Delivered Meals	105,143
<b>Title III D - Preventive Health Fund:</b>	
Wellness	11
<b>Title III E - National Family Caregiver Program Fund:</b>	
Information and Assistance	491
Caregiver Services	705
Material Aid	127



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,  
Terrebonne Council on Aging, Inc.,  
Houma, Louisiana.

We have audited the financial statements of the Terrebonne Council on Aging, Inc. (the Council), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 20, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material

weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor for the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 20, 2003.



Bourgeois Bennett

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors,  
Terrebonne Council on Aging, Inc.,  
Houma, Louisiana.

**Compliance**

We have audited the compliance of the Terrebonne Council on Aging, Inc. (the Council), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2003. The Council's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.



## Internal Control Over Compliance

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, Legislative Auditor for the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 20, 2003.

# **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

## **Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Grant Year End</b>
<b>Department of Health and Human Services:</b>			
<u>Pass-Through Program From:</u>			
<u>Louisiana Governor's Office of Elderly Affairs:</u>			
Special Programs for the Aging:			
Title III B - Supportive Services	93.044	CFMS577192	6/30/2003
Title III C - Area Agency Administration	93.045	CFMS577192	6/30/2003
Title III C-1 - Congregate Meals	93.045	CFMS577192	6/30/2003
Title III C-2 - Home Delivered Meals	93.045	CFMS577192	6/30/2003
Title III D - Preventive Health Services	93.043	CFMS577192	6/30/2003
Title III E - National Family Caregiver Program	93.052	CFMS577192	6/30/2003
Total Department of Health and Human Services			
<b>Department of Agriculture:</b>			
<u>Pass-Through Program From:</u>			
<u>Louisiana Governor's Office of Elderly Affairs:</u>			
Nutrition Program for the Elderly	10.570	CFMS577286	6/30/2003
<b>Department of Transportation:</b>			
<u>Pass-Through Program From:</u>			
<u>Louisiana Department of Transportation and Development</u>			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	LA-16-0027/ 736-99-0858	6/30/2003
Totals			



<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Federal Expenditures</u>
\$ 94,806	\$ 94,806	\$ 94,806
31,176	30,397	30,397
85,691	85,691	85,691
60,468	60,468	60,468
6,539	684	684
<u>33,082</u>	<u>26,914</u>	<u>26,914</u>
311,762	298,960	298,960
67,531	67,531	67,531
<u>31,064</u>	<u>31,604</u>	<u>31,604</u>
<u>\$ 410,357</u>	<u>\$ 398,095</u>	<u>\$ 398,095</u>

# **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

## **Terrebonne Council on Aging, Inc.**

June 30, 2003

### **Note 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Terrebonne Council on Aging, Inc. and is presented on the accrual basis accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### **Note 2 - FINDINGS OF NONCOMPLIANCE**

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2003.

# **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

## **Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

### **Section I Summary of Auditor's Results**

#### **a) Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

#### **b) Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ yes ☒ no

#### **c) Identification of Major Programs:**

##### **CFDA Number(s)**

##### **Name of Federal Program**

93.044

Title III B - Supportive Services

93.045

Title III C - Area Agency Administration

93.045

Title III C - 1 - Congregate Meals

93.045

Title III C - 2 - Home Delivered Meals

# **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

## **Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

### **Section I Summary of Auditor's Results (Continued)**

Dollar threshold used to distinguish between type A  
and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

  X   yes        no

### **Section II Financial Statement Findings**

No financial statement findings were noted during the audit of financial statements for the year ended June 30, 2003.

### **Section III Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2003.

**REPORTS BY MANAGEMENT**

# **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

## **Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

#### **Internal Control/Compliance**

**02-1 Recommendation** – Procedures should be implemented that ensure the proper disposition of assets in accordance with GOEA guidelines.

**Management's Corrective Action** – The Council has procedures for disposing equipment with GOEA funds. This was an oversight. In the future, the Council will confirm the inventory sheet to verify fund acquisition before disposing equipment. The Council will also like to incorporate on the van list another column that states what fund purchased each van. Resolved.

**02-2 Recommendation** – Procedures should be implemented to ascertain that all GOEA purchasing guidelines are understood and followed by the staff.

**Management's Corrective Action** – The Council, in the future, will review GOEA purchasing guidelines before purchasing materials.

### **Section II Internal Control and Compliance Material to Federal Awards**

There were no findings or questioned cost reported during the audit for the year ended June 30, 2002.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2002.



# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2003

### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

#### **Internal Control**

No material weaknesses were reported during the audit for the year ended June 30, 2003.

No reportable conditions were reported during the audit for the year ended June 30, 2003.

#### **Compliance**

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2003.

### **Section II Internal Control and Compliance Material to Federal Awards**

There were no findings or questioned costs reported during the audit for year ended June 30, 2003.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2003.